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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Docket No. AB-1075X

**MANUFACTURERS RAILWAY COMPANY
-- DISCONTINUANCE EXEMPTION --
IN ST. LOUIS, MO**

**ENTERED
Office of Proceedings**

APR 01 2011

**Part of
Public Record**

**REPLY OF BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES
DIVISION - INTERNATIONAL BROTHERHOOD OF TEAMSTERS
IN OPPOSITION TO PETITION FOR EXEMPTION**

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Counsel for BMWED

April 1, 2011

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SURFACE TRANSPORTATION BOARD**

STB Docket No. AB-1075X

**MANUFACTURERS RAILWAY COMPANY
-- DISCONTINUANCE EXEMPTION --
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**REPLY OF BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES
DIVISION - INTERNATIONAL BROTHERHOOD OF TEAMSTERS
IN OPPOSITION TO PETITION FOR EXEMPTION**

**The Brotherhood of Maintenance of Way Employees Division -
International Brotherhood of Teamsters (BMWED) respectfully submits the
following opposition to the Petition for Exemption filed by Manufacturers
Railway Company (MRS) in this docket on March 24, 2011. Our opposition is
directed exclusively at MRS's contention that the exemption should be granted
without the Board imposing the employee protective conditions mandated by
49 U.S.C. §10903(b)(2).¹**

¹ The employee protective conditions set forth in Oregon Short Line - Abandonment -
Goshen, 360 I.C.C. 91 (1979).

FACTUAL BACKGROUND

MRS contends its rail assets consist of two lines, the "Brewery Line" which serves an Anheuser-Busch brewery, and the "Second Street Line" which services three other shippers who use rail service infrequently. Petition at 2-3. MRS acknowledges that throughout its 120 year history, its "primary purpose was to meet the terminal and switching needs of the Anheuser-Busch brewery." Id. at 3. Presently, the brewery receives 6 to 7 inbound cars per week and MRS's Petition does not state whether or not such traffic will continue to be received if the Board grants the Petition. Id. Significantly, MRS acknowledges that if the Petition is granted, it will not remove the "trackage or rail assets" comprising either the Brewery Line or Second Street Line. Id. Therefore, even if the Petition is granted, some type of rail service, including inbound

shipments to the brewery, may be continued on either line. In other words, while the tracks would remain, MRS would no longer be classified as a common carrier by railroad subject to the statutory duties attendant to such status.

MRS notes that it is a wholly owned subsidiary of Anheuser-Busch Companies, Inc. (A-BC). Petition at 2, n.1. A link for MRS under the A-BC website opens a webpage touting MRS as a service providing "Traction Motor Reconditioning, Auxiliary Generator Reconditioning, Locomotive Rewiring, Locomotive Painting and Component Reconditioning." BMWED Exhibit 1. The

Petition makes no mention that such services will not continue after MRS ceases to be a common carrier.

A-BC, in turn, is a wholly owned subsidiary of Anheuser-Busch InBev (AB InBev). AB InBev was created on November 18, 2008 through the merger of Anheuser-Busch and In Bev. BMWED Exhibit 2. AB InBev describes itself as the "leading global brewer" who produces and distributes brands such as Budweiser, Stella Artois, Beck's and other beers and brewed beverages. AB InBev 2010 Annual Report at 4. In 2010, AB InBev received \$35.297 billion in worldwide revenue and profit allocated to equity shares was \$5.04 billion. Id. at 14. The company's liquidity on December 31, 2010 was \$14.253 billion. Id. AB InBev's was the number one brewer in the United States by market position with over 48% of the sales. Id. at 16. By any measure, the corporate parent of MRS is a worldwide economic powerhouse.

The BMWED is an autonomous division within the International Brotherhood of Teamsters. The BMWED represents the class or craft of maintenance of way employee on MRS. Currently, MRS employs four individuals represented by BMWED. Those employees are:

NAME	SENIORITY DATE	DATE OF BIRTH
<i>Marlin D. Foster</i>	<i>June 1, 1973</i>	
<i>Robert L. Bullock</i>	<i>January 8, 1980</i>	
<i>Cletis W. Andrews, Jr.</i>	<i>October 5, 1981</i>	
<i>Thomas S. Hobbs</i>	<i>June 20, 2005</i>	

By letter dated March 22, 2011, MRS informed the BMWED when the discontinuance authority sought by MRS was granted, "all four employees represented by the Brotherhood of Maintenance of Way Employees' Union will no longer have a job with MRC." BMWED Exhibit 3.

ARGUMENT

BMWED's opposition to the Petition is directed exclusively at MRS's contention that employee protective conditions are not applicable in this proceeding because MRS will discontinue all operations over its entire rail system. Petition at 7. We will establish below that: 1) Congress removed the Board's discretion to deny employee protective conditions in whole line abandonments when it passed the Interstate Commerce Commission Termination Act of 1995 (ICCTA); 2) even if the Board retains jurisdiction to deny employee protective conditions in whole line abandonments, the record in this proceeding does not support an evidentiary finding that MRS will cease rail operations; and 3) even if this proceeding involves a whole line abandonment or discontinuance of service, MRS has failed to demonstrate its need for the Board to exercise discretion and relieve it of its employee protective obligations.

I. EMPLOYEE PROTECTIVE CONDITIONS ARE MANDATORY

MRS. contends that an exception to mandatory imposition of employee protective conditions in abandonment cases continues to apply under the ICCTA. MRS. is wrong. That exception, based not on statutory language, but on language gleaned from a committee report in 1976, was not adopted by the conferees who drafted the ICCTA. Accordingly, employee protective conditions are mandatory on all abandonment or discontinuance of service proceedings whether initiated under Section 10903 or through exemptions obtained through Section 10502.

Prior to enactment of the Rail Revitalization and Regulatory Reform Act of 1976, Pub. L. 94-210 (4R Act), imposition of employee protective conditions in any abandonment proceeding rested within the discretion of the Interstate Commerce Commission (ICC). Oregon Short Line - Abandonment - Goshen, 354 I.C.C. 76 (1977), 1977 ICC LEXIS 75 at *8, n.1, citing I.C.C. v. Ry. Labor Executives' Ass'n, 315 U.S. 373 (1942). In Oregon Short Line, the ICC determined that the 4R Act amendments to both Section 1 (abandonments) and Section 5 (financial transactions) under the former Interstate Commerce Act were a clear manifestation of Congressional intent to make employee protective conditions in abandonment proceedings mandatory. Id. at *21-23.

However, coincident with the Oregon Short Line decision, the ICC decided two cases cited by MRS, Northampton & Bath R.R. - Abandonment - Northampton County, PA, 354 I.C.C. 784 (1978), 1978 ICC LEXIS 7 and Wellsville, Addison & Galetton R.R. - Abandonment - Entire Line, 354 I.C.C.

744 (1978), 1978 ICC LEXIS 23. In those decisions, the ICC held that the 4R Act permitted it to exercise discretion regarding the imposition of employee protective conditions in whole line abandonments despite the statutory language mandating the imposition of such protective conditions. In Northampton & Bath, the ICC relied upon the following excerpt from H.R. Report No. 94-781 at 218:

"The new section . . . (5) required employee protection no less beneficial than that established under Section 5(2)(f) of the Interstate Commerce Act and a section 405 of the Rail Passenger Service Act but without intention to change the policy and practice of the Commission in connection with certificates involving total termination of service by a railroad company."

1978 ICC LEXIS 7 at *4, n.5.

MRS contends that exception continues today under the ICCTA.

However, the language of the ICCTA and the Conference Committee report explaining its changes to Section 10903 offer no support for that argument.

MRS seeks an exemption from formal review of its application to discontinue service pursuant to Section 10502 of the ICCTA. Section 10502(g) provides that the Board may not exercise its exemption authority "to relieve a rail carrier of its obligation to protect the interests of employees as required by this part." Formal applications for abandonment or discontinuance authority are handled under Section 10903. Section 10903(b)(2) requires the Board to impose "as a condition of any abandonment or discontinuance under this section provisions to protect the interests of employees." (emphasis added). The language applies to any transaction. Simply put the obligation to impose

protective conditions is unconditional, there is no explicit statutory exemption for abandonments or discontinuances of entire rail lines or systems. The protective conditions required under Section 10903(b)(2) are contained in Section 11326(a) which require "a fair arrangement at least as protective of the interests of employees who are affected by the transaction as the terms imposed under Section 5(2)(f) of the Interstate Commerce Commission before February 5, 1976, and the terms established under section 24706(c) of this title." The ICC determined the applicable level of protective conditions in abandonments required by that language in Oregon Short Line – Abandonment – Goshen, 360 I.C.C. 91 (1979).

Petitioner's only possible argument to this clear and unambiguous statutory language is that an exception was included in House Report 104-422 that the conferees issued with the ICCTA. However, no such language was unambiguously adopted by those conferees. The conferees' Report on Section 10903 notes that the House bill would not affect employee protective requirements currently applicable to abandonments. Report at 181. However, the Report continues in its discussion of the "Conference Substitute" to both House and Senate bills, that "[t]he Conference provision retains the Senate formulation of an application for abandonment or discontinuance under the public convenience and necessity standard, making other technical changes." Id. There is no express inclusion by the conferees of those comments relevant to the House Provision which was not adopted in conference. Given that the only basis for the pre-1995 application of discretionary protective conditions in

whole line abandonments and discontinuances of service was not carried over into the ICCTA, the Board is obligated to follow the clear command of the statute here and impose the protective conditions set forth in Oregon Short Line, supra, whether or not the Petition actually involves a whole line discontinuance of service.

II. THE PETITION DOES NOT INDICATE A COMPLETE DISCONTINUANCE OF RAIL SERVICE

MRS contends its Petition describes a complete discontinuance of service. A review of the Petition and the operations of MRS reveal a much murkier picture. First, MRS acknowledges that if the Board grants the Petition, it will not remove any trackage or rail assets from either the Brewery Line or the Second Street Line. This action makes sense because MRS acknowledges that the brewery served by MRS receives 6 to 7 inbound rail cars each week and MRS does not indicate that such service will cease with the Board's approval of the Petition. Obviously, the tracks on the Brewery Line will be required to continue rail service to the brewery. Additionally, MRS's website also lists services it provides to other rail carriers. Given that much of that work is performed on locomotives, it is reasonable to assume that MRS will use some or all of its existing tracks to provide that service.

In essence, the Petition converts MRS into a private carrier serving its corporate sibling the brewery and utilizing its physical plant for service work on other carriers' locomotives. Therefore, all railroad work on MRS is not going away, so even if the whole line discontinuance exception to protective

conditions still applies, it is inapplicable here. If the Board grants the Petition, it must imposed protective conditions because the actual discontinuance sought by MRS is not a total discontinuance of rail operations on the lines. Instead, MRS will cease to be a common carrier by railroad, but will continue railroad operations for the benefit of its corporate sibling, the brewery, and will continue operations for the benefit of MRS's locomotive servicing operations.

III. EVEN IF THIS IS A TOTAL DISCONTINUANCE, MRS HAS NOT ESTABLISHED ITS NEED FOR AN EXCEPTION TO THE IMPOSITION OF PROTECTIVE CONDITIONS

Assuming, arguendo, that the Petition actually describes a full discontinuance of service and that the Northampton & Bath exception still applies, BMWED submits that MRS has not established a need for the Board to grant the exception.

There is no dispute that under Northampton & Bath, the Board's grant of relief from protective conditions otherwise required under Section 10903(b)(2) is discretionary. The Petition assumes that such relief is automatic in a full line discontinuance of service and BMWED bears the burden of proving otherwise. That view of the Board's discretionary authority is incorrect. The grounds for any Board discretion in imposing protective conditions that otherwise appear mandatory must come from the decision in ICC v. RLEA which held the ICC had discretion to impose protective conditions in any abandonment proceeding even though the statute was silent on the question.

In that case, the Supreme Court observed the ICC should exercise its discretion in the following manner (315 U.S. at 380):

We therefore conclude that the Commission has authority to attach terms and conditions for the benefit of employees displaced by railroad abandonments. Whether such terms and conditions should be attached in this case and if so their nature and extent are questions for the Commission to decide in the light of the evidence.

Today, unlike the situation in 1942, employee protective conditions are mandatory in Section 10903 proceedings. Therefore, it is not the employees who must convince the Board to exercise discretion to impose conditions, it is the Petitioner's burden to prove that it merits such an exercise of discretion. Assuming that the ICCTA amendments preserved the Board's ability to exempt a party from application of such conditions in a complete discontinuance, the ~~burden is on that party to demonstrate through evidence that the Board should~~ exercise such discretion. The evidence does not support such relief here.

The burdens of this discontinuance will fall disproportionately on the 4 BMWED represented employees if the Petitioner's request is granted. Two of the employees have over 30 years of service to MRC. While one could retire on an unreduced annuity under Railroad Retirement because he is over 60, the other employee cannot because he lacks the age to do so. Additionally, absent the imposition of protective conditions preserving insurance benefits, even the employee who could retire would have no insurance coverage until he reached Medicare eligibility. Currently, under the BMWED/MRC agreement, an employee retiring at age 60 or later, receives health insurance that provides

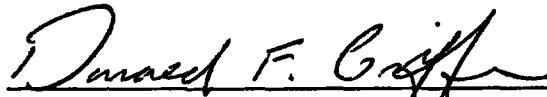
major medical benefits for the employee, spouse and dependents and unlimited prescription drug benefits until the individual becomes Medicare eligible. The Board should take administrative notice of the difficulty that older persons have obtaining health insurance at reasonable rates, especially older persons who would be unemployed without compensation benefits if the Petition were granted as requested.

Finally, the imposition of Oregon Short Line protective conditions would work no great burden on MRC or its corporate parent or siblings. As indicated above, MRC will have some residual rail activity at the brewery and as a service provider to other carriers. MRC's parent obtained over \$5 billion in profit in 2010 alone. The Board must balance the harm to 4 employees cast to the street without benefits as Petition urges against the harm to a multi-billion dollar multi-national company if it is required to provide a "fair arrangement" to its employees. The answer is obvious, the Board should impose the Oregon Short Line benefits here and reject Petitioner's request that it be relieved of that obligation.

CONCLUSION

The BMWED respectfully requests that the Board reject Petitioner's request to be relieved of any employee protective obligations if the Board grants the Petition. The Board's approval of the Petition must be conditioned upon the imposition of the Oregon Short Line protections for the benefit of MRS's employees.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald F. Griffin", written over a horizontal line.

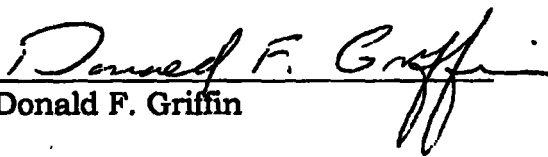
Donald F. Griffin
Director of Strategic Coordination &
Research
BMWED-IBT
1727 King Street, Suite 210
Alexandria, VA 22314
(703) 548-1262

Counsel for BMWED

April 1, 2011

CERTIFICATE OF SERVICE

I certify that I have this day served copies of document upon counsel for
Petitioner by email delivery to: pac@harkinscunningham.com


Donald F. Griffin

April 1, 2011

BMWED EXHIBIT 1

**Traction Motor Reconditioning****Locomotive Painting****Auxiliary Generator Reconditioning****Component Reconditioning****Locomotive Rewiring****Manufacturers**

Railway Company, an Anheuser-Busch company, has been serving the rail industry since 1887, providing locomotive repair and maintenance. Repairs range from rebuilding components to rebuilding entire locomotives.

Our customers include railroads, grain elevator operators, material transfer operators, industry switching services and leasing companies.

Manufacturers Railway Company interchanges with the Terminal Railroad and Alton & Southern Railroad, which in turn connects with all the major Class 1 railroads.

Manufacturers Railway will be pleased to discuss or provide estimates at no charge for any locomotive service you may require.



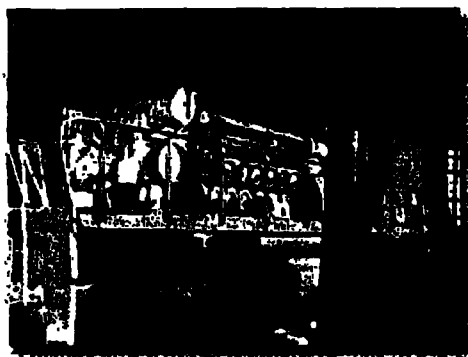
Manufacturers Railway Company
One Arsenal Street
St. Louis, Mo. 63118

Mark Dehn
Ph# (314) 577-1727
Fax # (314) 577-1820
E-Mail Mark.Dehn@anheuser-busch.com

Locomotive Painting**Locomotive Low Voltage Rewire****Locomotive Rebuilds**

3/31/2011

Manufacturers Railway Company



BMWED EXHIBIT 2

PRESS RELEASE



Brussels and St. Louis, MO, 18 November 2008 – 1 / 5

InBev Completes Acquisition of Anheuser-Busch

- Creates One of the World's Top Five Consumer Products Companies -
- Company Renamed Anheuser-Busch InBev -

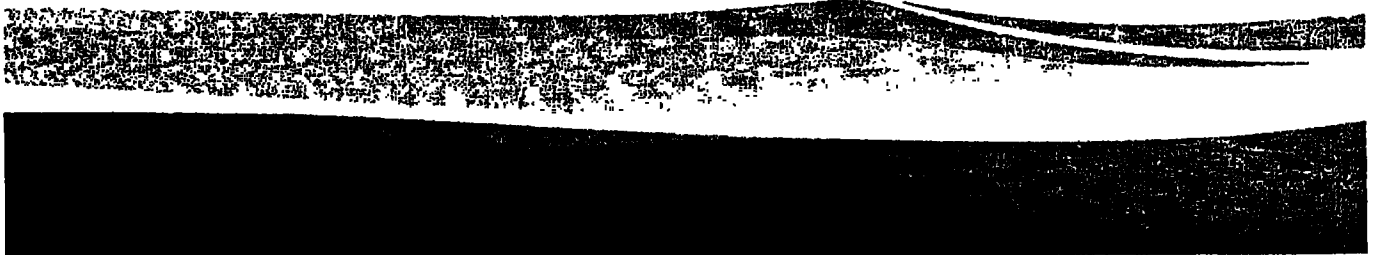
InBev (Euronext: INB) announced today that it has completed its acquisition of Anheuser-Busch (NYSE: BUD), following approval from shareholders of both companies. The combination creates the global leader in beer and one of the world's top five consumer products companies. Under the terms of the merger agreement, all shares of Anheuser-Busch will be acquired for 70 USD per share in cash, for an aggregate of 52 billion USD.

Effective today, InBev has changed its name to Anheuser-Busch InBev to reflect the heritage and traditions of Anheuser-Busch. Starting November 20, 2008, the company will trade under the new ticker symbol ABI on the Euronext Brussels stock exchange. Anheuser-Busch has become a wholly owned subsidiary of Anheuser-Busch InBev and will retain its current headquarters in St. Louis, MO. St. Louis will also become the North American headquarters

for the combined company. The new Anheuser-Busch InBev is geographically diversified, benefiting from a balanced exposure to developed and developing markets. The company manages a portfolio of over 200 brands that includes global flagship brands Budweiser, Stella Artois and Beck's, fast growing multi-country brands like Leffe and Hoegaarden, and strong "local jewels" such as Bud Light, Skol, Brahma, Quilmes, Michelob, Harbin, Sedrin, Cass, Klinskoye, Sibirskaya Korona, Chernigivske, and Jupiler, among others.

Carlos Brito, CEO of Anheuser-Busch InBev, said, *"We are extremely pleased to announce the closing of this historic transaction. By bringing together these two great businesses, we have created a stronger, more competitive global company with a leading international brand portfolio and distribution network, and great potential for growth all over the world. We look forward to leveraging the operational and cultural strengths of both companies."*

"Today also marks an important step towards achieving our shared dream of becoming the best beer company in a better world. Anheuser-Busch and InBev both have rich brewing



PRESS RELEASE



Brussels, 18 November 2008 – 2 / 5

traditions and a commitment to quality and integrity. We will succeed by celebrating and integrating both companies' strong brands, heritages and values and by incorporating the best practices of both to create opportunities for all of our stakeholders worldwide."

August A. Busch IV, President and CEO of Anheuser-Busch said, *"By combining with InBev, we have created a first-class international consumer products company and, without a doubt, the premier global brewer. Together, we will achieve our goals far more effectively than either company could on its own."*

REGULATORY APPROVALS

InBev has received all regulatory clearances required to be obtained in order to proceed with completion. Prior to completion, InBev reached an agreement with the U.S. Department of Justice ("DOJ") that permitted the completion of the acquisition provided that certain actions to address competition concerns relating to the combination of InBev USA's sales of Labatt branded beer and Anheuser-Busch's sales of beer in upstate New York are implemented following closing of the deal. The terms of the consent final judgment with the DOJ were filed in U.S. District Court for the District of Columbia on November 14, 2008.

MANAGEMENT / BOARD OF DIRECTORS

Several management and board of director changes became effective today as a result of closing the transaction. Luiz Fernando Edmond, currently Zone President Latin America North and AmBev's Chief Executive Officer, becomes Zone President North America. Dave Peacock, who most recently served as Vice President of Marketing of Anheuser-Busch Incorporated and Chief Executive Officer of Wholesaler Equity Development Corp., a wholly-owned subsidiary of Anheuser-Busch Companies Inc., becomes President of Anheuser-Busch.

PRESS RELEASE



Brussels, 18 November 2008 – 3 / 5

Additionally, Joao Castro Neves becomes Zone President Latin America North and AmBev's Chief Executive Officer, and the Incumbent Zone President for North America, Bernardo Pinto Paiva, has become Zone President Latin America South, replacing Joao.

The Board of Directors of the combined company will be comprised of the existing directors of the InBev Board and former Anheuser-Busch President and CEO August A. Busch IV.

ANHEUSER-BUSCH COMMON SHARES

Effective as of the close of trading yesterday, Anheuser-Busch common stock (NYSE: BUD) has ceased trading. Every shareholder of Anheuser-Busch common stock will receive 70 USD per share in cash. Anheuser-Busch's shareholders holding through a broker or bank should receive information regarding their Anheuser-Busch common shares from the broker or bank.

InBev has appointed BNY Mellon Shareowner Services as paying agent in connection with the acquisition. Anheuser-Busch shareholders with any questions regarding the payment for their Anheuser-Busch common stock should contact BNY Mellon Shareowner Services at 1-888-213-0964 from within the U.S. and 1-201-683-6884 from outside the U.S. Additional information will be mailed to all Anheuser-Busch common shareholders as well.

FINANCING

Financing for the transaction was provided by a group of leading financial institutions. The lending group provided 45 billion USD in debt financing and 9.8 billion USD in equity bridge financing.

Dutch and French versions of this press release will be posted on ab-inbev.com as soon as possible.

PRESS RELEASE



Brussels, 18 November 2008 – 4 / 5

About Anheuser-Busch InBev

Anheuser-Busch InBev is a publicly traded company based in Leuven, Belgium. It is the leading global brewer and one of the world's top five consumer products companies. A true consumer-centric, sales driven company, Anheuser-Busch InBev manages a portfolio of over 200 brands that includes global flagship brands Budweiser, Stella Artois and Beck's, fast growing multi-country Brands like Leffe and Hoegaarden, and strong "local jewels" such as Bud Light, Skol, Brahma, Quilmes, Michelob, Harbin, Sedrin, Cass, Klinskoye, Sibirskaia Korona, Chernigivske, and Jupiler, among others. In addition, the company owns a 50 percent share in Grupo Modelo, Mexico's leading brewer and owner of the global Corona brand, and a 27 percent share in China brewer Tsingtao, whose namesake beer brand is the country's best-selling premium beer. Anheuser-Busch InBev's dedication to heritage and quality is rooted in brewing traditions that originate from the Den Hooch brewery in Leuven, Belgium, dating back to 1366 and the pioneering spirit of the Anheuser & Co brewery, established in 1860 in St. Louis, USA. Geographically diversified with a balanced exposure to developed and developing markets, Anheuser-Busch InBev leverages the collective strengths of its 120,000 employees based in operations in over 30 countries across the world. The Company strives to be the Best Beer Company in a Better World. On a pro-forma basis for 2007, the combined company would have generated revenues of 26.4 billion euro. For more information, please visit: www.ab-inbev.com.

Anheuser-Busch InBev Contacts:

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Forward Looking Statements:

Certain statements contained in this report that are not statements of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in the future filings of InBev and Anheuser-Busch with the Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by or with the approval of InBev that are not statements of historical fact and constitute forward-looking statements. Examples of forward-looking statements include, but are not limited to: (i) statements about the benefits of the merger between InBev and Anheuser-Busch, including future financial and operating results, cost savings, synergies, enhanced revenues and accretion to reported earnings that may be realized from the merger; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of InBev or Anheuser-Busch or their managements or boards of

PRESS RELEASE



Brussels, 18 November 2008 – 5 / 5

directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of InBev and Anheuser-Busch. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to: (i) the risk that the businesses of InBev and Anheuser-Busch will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (ii) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (iii) revenues following the merger may be lower than expected; (iv) operating costs, customer loss and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; (v) the ability to obtain governmental or regulatory approvals of the merger on the proposed terms and schedule; (vi) local, regional, national and international economic conditions and the impact they may have on InBev and Anheuser-Busch and their customers and InBev's and Anheuser-Busch's assessment of that impact; (vii) increasing price and product competition by competitors, including new entrants; (viii) rapid technological developments and changes; (ix) InBev's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; (x) containing costs and expenses; (xi) governmental and public policy changes; (xii) protection and validity of intellectual property rights; (xiii) technological, implementation and cost/financial risks in large, multi-year contracts; (xiv) the outcome of pending and future litigation and governmental proceedings; (xv) continued availability of financing; (xvi) financial resources in the amounts, at the times and on the terms required to support future businesses of the combined company; and (xvii) material differences in the actual financial results of merger and acquisition activities compared with expectations of InBev, including the full realization of anticipated cost savings and revenue enhancements. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to InBev or Anheuser-Busch or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. InBev and Anheuser-Busch undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

-end-

BMWED EXHIBIT 3

MAR. 25. 2011 2:31PM
TO: GRIFFIN

248-948-7150 PRES

RECEIVED

MAR 25 2011

NO. 8104. P. 1

Q-FS, WAB, (GRIFFIN, SUP) WAT
FAXED



**Manufacturers
Railway Company**
ONE OF THE ANHEUSER-BUSCH COMPANIES

BMWED

Tom Buschmann
Director, Human Resources
Phone (314) 577-1708
Fax (314) 577-1788
E-mail: Tom.Buschmann@anheuser-busch.com

March 22, 2011

Mr. T. R. McCoy, General Chairman
BMWED, Affiliated System Federation, IBT
9300 Runyon Rd.
Catlettsburg, KY 41129

RE: Manufacturers Railway Company (MRC)

Dear Mr. McCoy:

As you probably realize, operating a competitive railway has become increasingly difficult. Our business has been in a steady decline for the last several years. The number of rail customers has decreased consistently over this time. At this point, the few customers serviced by MRC no longer send or receive shipments by rail, and Anheuser-Busch (A-B) now only receives grain by rail. As a result of all these changes, MRC can no longer operate a full-service railroad. This was certainly not an easy decision to make, but MRC has no other choice but to close its business operations.

In order to cease operations, MRC must petition the Surface Transportation Board (STB) in Washington, D.C. We anticipate filing this petition on or about March 24, 2011. After the filing, MRC expects a decision on whether it can cease operations in approximately four and one-half months. Obviously, we will notify you of any final decision by the STB, and the cessation of MRC's business operations, will only commence when authorized. Assuming authorization, all four employees represented by the Brotherhood of Maintenance of Way Employees' Union will no longer have a job with MRC.

In conjunction with this notice to you, MRC is contemporaneously notifying the National Railway Labor Conference (NRLC) of its intent to withdraw from national bargaining. Accordingly, MRC will be available to meet with you in order to discuss the effects of its decision to discontinue its business operations. MRC suggests that these discussions be held at MRC offices in St. Louis, Missouri. Please contact me to set up a mutually convenient time for these discussions.

Manufacturers Railway Company
One Arsenal Street
St. Louis, MO 63118-3318
(314) 577-1700

In that regard, please be advised that one of the topics MRC is willing to discuss is an appropriate incentive for employees to keep working for MRC in order to keep operations ongoing between the time of the filing of the STB petition, until the final decision/approval of the STB. Finally, please keep in mind that any and all discussions, and any agreements reached therein, must be made contingent upon a final STB decision that will permit the cessation of MRC's business operations.

I want to tell you how much MRC has valued the contributions made by all the employees represented by the Brotherhood of Maintenance of Way Employees' Union for the last 125 years. We do not take this step lightly, nor do we take it without a deep and abiding appreciation for all the committed service to MRC shown by your members. We wish you and our employees nothing but the best in the future. We look forward to meeting with you.

Sincerely,



Tom Buschmann

cc: Mr. Freddie Simpson, President
Brotherhood of Maintenance of Way
Employees Division, IBT
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